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January 17, 2017

VIA FEDERAL EXPRESS

Attn: Compliance Tracker, AE-17J
Air Enforcement and Compliance Assurance Branch
U.S. Environmental Protection Agency
Region 5
77 W. Jackson Blvd.
Chicago, Illinois 60604



Re: MGPI of Indiana, LLC ("MGP")
Second Supplemental Response to EPA Section 114 Request dated August 26, 2016

Dear Sir or Madam:

This Firm represents MGPI of Indiana, LLC ("MGP") with respect to EPA's Clean Air Act Section 114 Information Request dated August 26, 2016, received by MGP on September 2, 2016 ("Information Request"). Via letter to Marie St. Peter dated October 11, 2016, MGP requested an extension of time to respond to the Information Request. Ms. St. Peter granted this request via e-mail on October 14, 2016. Pursuant to that extension, MGP provided a rolling production. On November 16, 2016, MGP submitted its initial response to responses to Request Numbers 1, 2, 13, 15 and 16. On December 16, 2016, MGP provided its First Supplemental Response to Request Numbers 8, 9, 10, 11, 12, 14, 17 and 18. This constitutes MGP's Second Supplemental Response. MGP has made appropriate and reasonable efforts to provide responsive information based on the Company's interpretation of the Information Request.

MGP took ownership of the Lawrenceburg facility on December 27, 2011. The facility consists of beverage alcohol distilling operations, including barrel aging warehouses. Following the acquisition, MGP shifted from primarily producing grain neutral spirits such as vodka and gin to primarily producing bourbon and whiskey. Where vodka and gin can be quickly distributed after they are distilled, bourbon and whiskey must be aged in wooden barrels after they are distilled. This shift resulted in the use of more barrels at the facility, though the facility already had aging warehouses with available barrel storage capacity. After the shift in products, production remained within the facility's existing maximum capacity. The shift did not result in increased grain throughput or an increase in total production. In fact, MGP is producing less now than when it took ownership of the facility. The shift to bourbon and whiskey production was not as a result of an expansion of capacity or production capabilities. The output from the facility (in proof gallons/year) has not increased.

As MGP shifted the facility's production from grain neutral spirits to whiskey and bourbon, it planned to construct aging warehouses. MGP has been working with the Indiana Department of Environmental Management regarding permitting requirements and has submitted a permit application to construct new warehouses for aged barrel storage. The permit application and associated documents have been provided to EPA as part of MGP's response to this Section 114 Request.

General Objections

Although MGP is making diligent efforts to comply with the Information Request, in order to preserve the Company's rights, MGP hereby objects to the Information Request for the reasons set forth below (the "General Objections"). The General Objections pertain to this response as well as all future or supplemental responses. MGP reserves its rights to file supplemental objections throughout its efforts to respond to the Information Request.

1. MGP objects to each request in the Information Request to the extent it seeks information outside the scope of EPA's authority pursuant to 42 U.S.C. § 7414. Moreover, the purpose of the Information Request is overbroad and vague; MGP objects that the Information Request is outside the scope of EPA's authority.

2. MGP objects to each request in the Information Request to the extent EPA seeks information not relevant to the purpose stated in the Information Request, 42 U.S.C. § 7414.

3. MGP objects to each request in the Information Request to the extent that, through that Information Request, EPA imposes an undue burden on the Company, 42 U.S.C. § 7414.

4. MGP objects to the Information Request to the extent that EPA requests MGP to divulge information protected by the attorney-client privilege, the work-product doctrine, or other available privilege or protection. The Clean Air Act does not require a party to divulge such information in response to information requests.

5. MGP objects to providing information that it has previously provided to EPA or the State of Indiana, including, by way of example and not by way of limitation, information provided related to permits, permit applications and data transmitted in compliance reports routinely prepared for government use. These requests are duplicative and, therefore, unduly burdensome.

6. MGP objects to any request in the Information Request that is vague, ambiguous or overbroad or too indefinite to be capable of reasonable interpretation.

7. MGP objects to each request in the Information Request to the extent that it calls for the Company to make legal conclusions concerning the Clean Air Act Provisions, including the Indiana State Implementation Plan.

8. MGP objects to each request in the Information Request to the extent it seeks confidential business information.

9. MGP objects to each request in the Information Request to the extent it requires MGP to develop or create information and/or documents that do not otherwise exist or that MGP is not otherwise required to create and/or maintain.

10. MGP objects to each request in the Information Request to the extent it seeks information not kept in the ordinary course of MGP's business or not kept in the form requested by EPA in the ordinary course of MGP's business. Requiring MGP to produce information in a form or manner not kept by the Company is unduly burdensome and beyond the scope of Section 114 of the Clean Air Act.

11. MGP objects to each request in the Information Request to the extent it seeks information from before December 27, 2011, the date MGP acquired the Facility. To that end, MGP is only producing responsive information generated after that date. In addition, to the extent any documents are requested from more than five years prior to the date of the Information Request, such requests seek information that is beyond the scope of regulatory document retention requirements, if any, under Clean Air Act regulations and reach beyond the applicable statute of limitations for violations of the Clean Air Act.

12. MGP objects to each request in the Information Request to the extent it seeks information not in the possession, custody or control of MGP.

Notwithstanding and without waiving these Objections, and subject to them, MGP has prepared this response based upon the information available to it. Where the Information Request is vague, ambiguous, overbroad, unduly burdensome, or beyond the scope of EPA's authority pursuant to Section 114 of the Clean Air Act, MGP is making appropriate and reasonable efforts to provide responsive information based on its interpretation of the Requests. To the extent that information produced herein is not required by law or is outside of the scope that EPA has the authority to request, that information is voluntarily submitted. MGP waives no rights to protection of information that it voluntarily submits.

MGP considers all documents produced pursuant to this response and any future responses and stamped "Confidential Business Information" to be confidential business information or trade secrets (collectively referred to as "CBI") and, therefore, protected from release to third parties pursuant to 5 U.S.C. § 552(b)(4) and 40 C.F.R. Part 2. In addition, some of the documents provided may contain CBI of third parties that MGP is obligated to protect and maintain. MGP is concerned with protecting its CBI and requests that EPA provide MGP with sufficient notice prior to releasing any of this information to any third party so that MGP can timely avail itself of all federal and state laws that protect the Company's CBI.

In accordance with our understanding of your Request, MGP is producing herewith documents that are bates stamped MGP-EPA0004740 to MGP-EPA0004742. MGP reserves the right to supplement this response as additional responsive information becomes available.

MGP's Specific Responses

3. For each aging warehouse at the Facility identified in question 2, above, provide a detailed explanation of the warehouse's ventilation system. This explanation should include, but is not limited to, the following:
- a. The type of emission points on the warehouse (e.g., vent, window, stack, etc.);
 - b. the number of emissions points, identified above, on the warehouse;
 - c. the frequency at which emissions are theoretically coming from an emission point (e.g. 24/7, during spring and summer, etc.);
 - d. how emissions are transported to the emission point (e.g., natural draft, fan, etc.);
 - e. the flow rates of any fans used (actual cubic feet per minute);
 - f. any automated technology used, including but not limited to, lower explosive limit sensors to determine when there is a risk of explosion, vents which open and close according to any sense and/or trigger, and fans which turn on due to some sort of sense and/or trigger; and
 - g. what causes any of the automated technology listed in f, above, to turn on.

MGP Response: MGP reasserts the General Objections above. In addition, MGP objects to this Request to the extent it requires MGP to make legal conclusions regarding "emission points" at the Facility. By responding to this Request, MGP does not admit that any openings in the warehouses are "emission points." Notwithstanding and without waiving these Objections, MGP provides document bates numbered MGP-EPA0004740 to MGP-EPA0004741.

MGP's warehouses rely on natural draft conditions, which are critical to the whiskey aging process. Ambient atmospheric conditions, such as seasonal and diurnal variation in temperature and humidity, greatly affect the aging process. Some of MGP's warehouse basements and sub-basements have exhaust fans for the purpose maintaining compliance with OSHA requirements in those areas. However, these fans operate on a very limited basis and only to the extent needed for the area to remain below 10% of the lower explosive limit to maintain safe working conditions in a way that does not adversely affect the aging process.

4. **For every emission unit at the Facility used before storage and/or aging of any distilled alcoholic beverage, provide, in an excel spreadsheet or compatible format from January 2010 to the present, the throughput of each grain used by the Facility for each final distilled alcoholic beverage in bushels, pounds, or gallons, where appropriate.**

MGP Response: MGP reasserts the General Objections above. Notwithstanding and without waiving these Objections, MGP states that information was previously produced, specifically, MGP-EPA0000127 to MGP-EPA0000271, and MGP-EPA0000572 to MGP-EPA0000651, are responsive to this Request. MGP further provides document bates numbered MGP-EPA0004742. MGP does not maintain in the ordinary course the throughput of each grain used by the Facility for each final distilled alcoholic beverage.

5. **Provide an excel spreadsheet or compatible format that lists the number of barrels filled each month since January 2010.**

MGP Response: MGP reasserts the General Objections above. Notwithstanding and without waiving these Objections, MGP provides document bates numbered MGP-EPA0004742.

6. **Provide an excel spreadsheet or compatible format that lists the number of barrels emptied each month since January 2010.**

MGP Response: MGP reasserts the General Objections above. Notwithstanding and without waiving these Objections, MGP provides document bates numbered MGP-EPA0004742.

7. **Provide an excel spreadsheet that or compatible format that lists the number of barrels stored each month in each warehouse as identified in Question 2 since January 2010.**

MGP Response: MGP reasserts the General Objections above. Notwithstanding and without waiving these Objections, MGP provides document bates numbered MGP-EPA0004742. MGP does not maintain in the ordinary course the number of barrels stored each month in each warehouse.

Sincerely,

January 17, 2017
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Stinson Leonard Street LLP



Brittany A. Barrientos

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Enclosures

cc: Marie St. Peter, EPA Region 5 (letter only sent via e-mail)
Steve Glaser, MGPI of Indiana, LLC
Munim Hussain, MGPI of Indiana, LLC



STINSON
LEONARD
STREET

CONFIDENTIAL DISK:

MGP, I of Indiana, LLC
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CONTAINS CBI